



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: February 23, 2023

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Delsa D. Chapman, Ed.D., Deputy Superintendent
Division of Educator, Student, and School Supports *DDC*

SUBJECT: Ensuring Timely Access to Federal Formula Funds for New and
Significantly Expanding Public School Academies

Per the federal Education Department General Administration Regulation (EDGAR) [EDGAR 34 CFR Part 76](#), the Michigan Department of Education (MDE) must ensure public school academies (PSAs) that open for the first time, or those that significantly expand their enrollment, receive the proportionate amount of federal formula funds for which they are eligible.

To be eligible to receive funds at the beginning of the school year, the PSA or its authorized public chartering agency must notify MDE in writing at least 120 days in advance of the date the school is scheduled to open or significantly expand. That notification must include a cover letter that identifies the new or expanding PSA(s), along with the first two pages of the fully completed charter contract checklist for each new or significantly expanding PSA.

To make a timely notification for a new or significantly expanding PSA that is planning to open or reopen in the fall (after Labor Day in accordance with [state law](#), unless a waiver to start earlier is submitted to and approved by MDE), an authorizer must notify MDE, in writing, on or before May 1 of the current calendar year to adhere to the 120-day eligibility timeline for federal formula funding. If the authorizing agency has already provided a copy of the charter contract checklist to MDE, along with a new charter agreement or charter amendment, before May 1, 2023, additional notification is not necessary. The charter contract checklist is linked here [Authorizer Resources](#).

It is acceptable for this notification to come from the authorized public chartering agency responsible for approving new or amended PSA contracts. If the board of the authorizing agency has not taken formal action to authorize the PSA or to approve an amendment to an existing charter contract, MDE must receive this notification at

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least 120 days in advance of the date that the school is scheduled to open or significantly expand, so that the appropriate amount of federal formula grant funds can be budgeted and allocated.

The notification requirement is within the federal Education Department General Administration Regulation (EDGAR) [EDGAR 34 CFR Part 76](#). Attached to this communication are excerpts from the federal regulation that identify the necessity to inform MDE relative to school expansions.

MDE has established criteria for defining the "significant expansion" term: PSAs must show that there has been a substantial increase in the number of students eligible for free lunch from the previous October to the current October **and** that they have increased the grade span served by the addition of grade level(s), new programming, or a new building/campus. A substantial increase has been determined to be 50 or more new students eligible for free lunch for these purposes. Both of these criteria must be met to increase allocations for the federal formula grant programs.

All notifications for new and significantly expanding PSAs should submit the need for changes to their authorizer. The authorizer will compile and submit it to MDE's public school academies unit at MDEPSAGrant@michigan.gov. If you have any questions, please contact Tammy Hatfield at HatfieldT@michigan.gov or 517-488-8191.

Attachment

cc: Michigan Education Alliance
Confederation of Michigan Tribal Education Departments

ATTACHMENT

Data requirements for new or significantly expanding charter schools to the state educational agency (SEA) can be found in [EDGAR guidance](#) for subparts referenced below (Note that page numbers are listed for ease of access.):

- **The requirement to provide available data or information to the SEA to assist in estimating projected enrollment:** A charter school that has not yet opened or expanded must provide the SEA with any available data or information that the SEA reasonably requests to assist it in estimating the charter school's projected enrollment. While the charter school is not required to create any new data, it must provide the SEA with actual enrollment and eligibility data once the charter school opens or expands. Under the final regulations, the SEA may elect not to provide any funds to a new or expanding charter school until the charter school has provided the SEA with actual enrollment and eligibility data. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 10, 11, and 12, pages 9 and 10)**

120-day written notification requirement for new or significantly expanding charter schools to the state educational agency (SEA):

- **The requirement to provide notice in writing at least 120 days in advance:** To receive funds per the final regulations, a new or significantly expanding charter school must notify the state educational agency (SEA), in writing at least 120 days in advance of the date the charter school is scheduled to open or expand. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 10 pages 9 and 10)**
- **Receive written notice less than 120 days in advance of opening or expanding:** If the SEA receives written information of the date a charter school is scheduled to open for the first time or significantly expand its enrollment, albeit less than 120 days in advance of an academic year, it is still bound by the requirements to provide a proportionate amount of funds. However, in such a case, the SEA is relieved of any obligation it may have had to provide funds to the charter school within 150 days. Instead, the SEA may treat the charter school as if it opened or expanded between November 1 and February 1 and wait until the succeeding academic year, when it makes allocations to other local educational agencies (LEAs), to provide the new or expanded charter school with its share of funds for the preceding academic year. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 13 pages 10 and 11)**

Funding options for new or significantly expanding charter schools after the start of the academic year:

Receive a proportionate amount of funds: Each charter school opening for the first time or significantly expanding its enrollment on or before November 1 of an academic year would receive the proportionate amount of funds for which it is eligible within 150 days of

the date the charter school opens or significantly expands its enrollment. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 15a pages 11 and 12)**

- **Receive pro rata funding of proportionate amount of funds if opening or expanding after November 1 but before February 1:** For each charter school opening or significantly expanding its enrollment after November 1 but before February 1 of an academic year, the charter school receives at least a pro rata portion of the proportionate amount of funds for which the charter school is eligible on or before the date the SEA allocates funds to the other LEAs for the succeeding year. **(Non-regulatory Guidance 34 CFR Part 76, Subpart H, Q & A 15b pages 11 and 12)**

Permitted but not required to provide pro rata funding of proportionate amount of funds if opening or expanding on or after February 1: For each charter school opening or significantly expanding its enrollment on or after February 1, an SEA is permitted but not required to provide the charter school with a pro-rata portion of the proportionate amount of funds for which the charter school is eligible under a covered program. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 15 pages 11 and 12)**